

049.1  
Real estate exemption

[REDACTED]

FEDERAL EXPRESS

April 25, 1989

Federal Trade Commission  
Premerger Notification Office  
Bureau of Competition, Room 303  
Sixth St. & Pennsylvania Ave., N.W.  
Washington, D.C. 20580

Attention: Richard B. Smith

Re: Request for Informal Interpretation Concerning  
Exemptions Applicable to Acquisitions of Real Estate

Dear Mr. Smith:

With reference to our telephone conversations of April 12, 1989 and April 13, 1989, my understanding of the application of the real estate exemption by the Federal Trade Commission (the "FTC") is as follows:

Section 7A(c)(1) of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 specifically exempts "acquisitions of goods or realty transferred in the ordinary course of business." This exemption has generally been interpreted by the FTC to be inapplicable to sales of real estate on which a refinery, oil well, shopping center or other revenue producing asset is located. The FTC has made an exception to this policy if (i) the assets sold consist of land, an office building and "nonoffice" (e.g. retail, leased commercial parking, etc.) space and (ii) the "nonoffice" portion of the assets is valued at less than \$15 million. However, if all or substantially all of the assets of an entity or operating division are being acquired, such exception is inapplicable and the assets being acquired must consist solely of real property and assets incidental to the ownership of real property (e.g. cash, prepaid taxes or insurance and rentals receivable) for the exemption provided in Section 7A(c)(1) to be operative.

\$15 MM or

Rule 802.1

APR 26 10 46 AM '89

FEDERAL TRADE  
COMMISSION  
PREMERGER NOTIFICATION  
OFFICE

Premerger Office

[REDACTED]

If you have any questions regarding the above-described transaction or you require further information, please call me at (214) 969-2750.

[REDACTED]

CC : [REDACTED]

4/78 - called [redacted]  
[redacted] and was told that  
the [redacted] had been [redacted]  
and the purchase of [redacted] had  
been made. [redacted] was told  
(and it cost him the same amount)  
of a business [redacted]  
of [redacted] of [redacted] [redacted]  
to [redacted] as [redacted]